# RAJYA SABHA

*Monday, the 2&th April,* 1986/8 *Vaisakha,* 1908 *(Saka)*

he House met at eleven of the jck, Mr. Chairman in the Chair.

## ORLAL ANSWERS TO QUESTIONS

### Collaboration agreement,, by the BHEL

*81. SHRI LAL K. ADVANI:!
SHRI KAILASH PATI MISHRA:

Why the Minister of INDUSTRY be pleased to state:

(a) the number of collaboration agreements which were signed by the BHEL with foreign/Indian companies during the Sixth Five-Year Plan period, giving in each case the name abd address of the collaborator, name of the Indian agent, if any, the year of he collaboration, the product(s) cov. red, the amounts so far paid sepurately on account of lumpsum charges, royalties, engineering and design charges, purchase of equipment and components, etc. and such amounts/fees likely to be paid in 198V86 and 1986-87;

(b) whether the BHEL'? Indian competitors have entered into colla-boi ition agreements with foreign companies during the same period for sur lar equipment(s), at much easier te tis and for lower payments; and

'ir) if so, whether detailed teehno-ecc lomie studies of comparative capabilities of the collaborators were made before entering into contract with them?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM): (a) A statement is laid on the Table of the House. [See Appendix CXXXVIII, Annexure No. 9.]

(b) Information is being collected.

(c) Detailed techno-economic studies of comparative capabilities of firms willing to collaborate were made by BHEL before entering into collaborations.

SHRI LAL K. ADVANI; Sir, I wouid like to know what ig tho total amount of capital investment we Iwve made on the R&D infrastructure in BHEL and the annual expenditure we incur on that. My information is that we invested about Rs. 20 crores and we are annually incurring an expenditure of Rs. 13 crores to Rs, 15 crores and in spite of the products *hat we have been able to develop indigen-nously we are going in for co labora-tions in many fields as a result of which the local staff and the executives feel that the R&D development, is of no purpose. Has any inquiry been made as to which of these collaborations were really necessary and where we are not able to provide these items indigenously?

SHRI NARAYAN DATT TIWARI: Sir, the figures regarding investment mentioned by the distinguished Member are more or less correct except for the fact that Research and Development expenditure in the year 1984-85 was of the order of Rs. 26 crores which ig 1.75 per cent of tho total turnover. The budgeted figure for IQfi^.fiR is about Rs. 30 erores and for 1986-87, that *is,* the current year, it is Rs. 47 crore? which would be about 2.47 per cent of the turnover. Thte would be a quantum jump in one year from a percentage point of 1.8 per cent to 2.47 per cent. I agree that we have to do more in the field of Research and Development and that we are trying to do. I have called a meeting of the BHEL General Managers and Chairman so that we can review the whole situation regarding Research and Develooment. But the honourable Member with his vast ex-

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t The question was actually asked on the floor of the House by Shri Lal K. Advani.

perience, I think, knows that BHEL primarily being in the power equipment field operates in a high technology area which is characterised hy a high rate of technology change, frequent product innovation and very large spending on Research and Develoment programmes at the international level. Therefore, BHEL has to keep abreast of developments abroad and then, again it ig very important that we also cater to the requirements and needs of the customers. What happens, Sir, is that the customers, mainly the Electricity Boards want high technology. They want new type of systems also to be brought in for different power stations that are going to be set up and sometimes there are international tenders wherein there are jet specifications that you will have this type of boiler end so on and, therefore, we have to provide for imported items to meet customer requirements. Sometimes they also need guarantees. They say we must have collaborator's guarantee and when we take the overall situation, it ig better to manufacture indigenously whatever we can throueh BHEL instead of invoortln?! the whole sets from outside the country. So. T would suggest that the Membar may rest assured that we are doing whatever possibly we can in the field of Reseacch and Develoment. As far as collaborations are concerned. B'WEL has collaborated onlv to the extent whicii is rermired to keep vio to inernational levels of generation requirements.

SHRI LAL K. ADVANI: Sir, my complaint is not that we are not spending enough on R&D. My complaint is that the amount that ive are spending on E&D is not being properly utilised. I specifically point out that we have brushes exciters, vapour absorption refrigeration, simulator electronic controllers, etc. I have with me a resolution bv tbe executive association. It savs that in the absence of management supnort, these are merely serving the purpose of showpieces.

Sir, my second specific question is about collaboration with the Siemens. It is true that the Siemens (India) is a competitor of ours, of the BHEL in India itself, and so, the result is that when we have collaboration agree-, ments with the Siemens, the Siemens (India) are aware of all the technical details? How do we permit the Siemens (India) to be a competitor in those very fields in which we go in for collaboration with the West German Siemens? This is something which I cannot understand.

SHRI NARAYAN DATT TIWARI: Sir, the distinguished hon. Member with his experience in Government also must be knowing about the background of the collaboration with the Siemens and all that. It is a fall-out of what he knows about. I would not go into the details. But I may say that what the Siemens (India) manufactures here is entirely different from what the Siemens KW International manufactures. The Siemens (India) is, comparatively speaking, not the same Siemens which they have in Germany. - Here, the BHEL is the main instrument of the manufacturing of our power-generation equipment.

As far as particular details are concerned regarding the Siemens, I require notice because if I have to go into the details, I want to be exact, I do not want to generalise. The hon. Member will expect me that I should not just here make remarks or give information of which I am no* very sure. Therefore, I would like notice for that.

MR. CHAIRMAN: Mr. Kailash Pat Mishra absent. Mr. Nirmal Chatterjee.

SHRI NIRMAL CHATTERJEE: Sir, the question immediately is not whether we are spending a lot or whether there is adea.uate research, re is the third auestion. That question is even where there is successful "research output, t^at is side-tracked in favour of foreign collaborator. I mention specifically that famous fluid-based technology controversy. When, the BHEL entered into a collaboration with the Siemens, the scientists in the BHEL objected to it because, they said, they had developed it and partially tested it, and that is by no stretch of imagination inferior to the one that was to be imported from West Germany. And yet lt was imported. A collaboration agreement was entered into. So, on this question, can the hon. Minister guarantee the House that whatever research product comes out of R&D in our public sector enterprises and in the BHEL in particular, would first be trial-tested and then only, if the need still remains, will import be permitted after getting consensus from the R&D people involved in the organisation?

SHRI NARAYAN DATT TIWARI: Sir, I may congratulate on this point our engineers who have done excellent R&D effort in the BHEL. I recognise and I think thi$_s$ House also' appreciates whatever they hav$_e$ done in the field of R&D. I have a few examples. The hon. Member was referring to fluidized bed boilers. That is up to about only 30 mw capacity. They are boilers with real mill layer with direct ignition of pulverised coal for saving oil, development of L.P. modules, mini-micro hydro sets, low and medium vo!i.ag« vacuum circuit breakers, ceramic liners, thyrister control acmlications and so on and so forth. In these areas we do not $^{nee\wedge}$ foreign collaborations unless they are of a new innovation or high-ranking technology which has not been researched upon here. So. I perfectly recognise that we should not coVabo-rate in these areas in which we have through our own R&D efforts. achieved results. But, a, I said eariier, power-equipment manufacturing b°ing ' a very hi eh technologv item and being >>a$^r$a<'tf>'Hssd by a l->i£h rate of technologv "nange and frequent product innovations, according to customer rlemanH we have to co into collaboration in it. The hon. Member ha$_s$ said that he has received some letter or something. I would reque* him to give me that information, which...

SHRI NIRMAL CHATTERJEE: 1 may point out to the hon. Minister that the problem is if they come to a level of 35 megawatt, then the consumers are pushed to demand 60 megawatt o$_r$ something. That way the entire research goes $t_0$ waste. Thi* is the kind of approach that i$_s$ developing leads $t_0$ further collaboration!.

SHRI NARAYAN DATT TIWARI: Here I may point out if a power station has 110 megawatt capacity turbine or 200 megawatt capacity turbina or a newly designed 500 megawatt capacity turbine, then w$_e$ hav$_e$ to have a boiler range of higher capacity. We cannot continue with the 85 megawatt boiler.

PROF. B. RAMACHANDRA RAO; I appreciate the work done by the BHEL. It has done a tremendous work particularly in the field of reverse osmosis and solar energy. I found this when I visited there. But, I would like to know whether in these collaboration agreements there i$_s$ any provision that this knowhow cannot be updated. Can't the BHEL take this knowhow and improve upon it? I would like to know whether tha agreements with varinms omrmantes would mean that we have to bind ourselves with these agreements for ever.

The second part of my question is whether the Government is contemplating to increase the Budget and also expand the facilities of R&D laboratories in the BHEL so that more modern advanced technology can be developed at a faster rate than what we have at present.

SHRI NARAYAN DATT TIWARI: I would take the second question first. Of course, I am in full agreement-rand I said so—that we should expanet the Research and Development facilities in the BHEL. I also said that this year's Budget provide$_s$ for sr quantum jump in allocations for R&D in the BHEL.

As far as the question of future collaborations is concerned, the important element is that the BHEL insists through these agreements at obtaining engineering and technological knowhow in selective areas in a specific production system. So, our aim is to acquire both the know-how and know-why.

The hon. Member has referred to the Solar energy systems being developed by the BHEL. I think whatever suggestions are relevant in this regard, the hon. Member can send those to me, but I can assure him that BHEL has kept those points, which the hon. Member has referred to, in its mind.

**श्री अश्विनी कुमार :** माननीय सभापति महोदय, मंत्री महोदय ने बी एच ई एल की रिसर्च और डेवलपमेंट के बारे में हमें अच्छी जानकारी दी । घूमते-फिरते यह अनुभव आता है कि रिसर्च और डेवलपमेंट जो बी एच ई एल का होता है स्टेट इलेक्ट्रिसिटी बोर्ड को उसका उपयोग करना होता है और स्टेट इलेक्ट्रिसिटी बोर्ड्स के ऊपर इस प्रकार के प्रभाव काम करते हैं कि वे बी एच ई एल के बजाय विदेशी मशीनों की ओर जाने की रुचि दिखाते हैं । क्या मंत्री महोदय इस प्रकार की कोई व्यवस्था करेंगे कि जो रिसर्च और डेवलपमेंट बी एच ई एल में ह विदेशी जानकारी के आधार पर हो उसका उपयोग इलेक्ट्रिसिटी बोर्ड जो स्टेट्स के होते हैं उनके द्वारा किया जाय । यदि इस प्रकार का विचार है तो इसको पूरा करने के लिए क्या-क्या कदम मंत्री जी उठाना चाहते हैं ।

**श्री नारायण दत्त तिवारी :** श्रीमन्, मैं माननीय सदस्य का बहुत आभारी हूं कि वे स्वदेशी विचारधारा के समर्थक हैं और उन्होंने गवेषणा और विकास के क्षेत्र में जो कुछ बी एच ई एल के माध्यम से हुआ है उसका एक प्रकार से समर्थन किया है । जहां तक उनके सुझाव का प्रश्न है कि जो विद्युत् बोर्ड राज्यों में हैं उनको विश्वास में लिया जाए ताकि जो गवेषणा या विकास के क्षेत्र में कार्य बी एच ई एल के द्वारा हो रहा है उसकी जानकारी उन्हें हो सके । मैं इस सुझाव का स्वागत करता हूं । जहां तक मेरी जानकारी है बी [illegible] भिन्न सेमिनारों और [illegible] विद्युत् बोर्डों के जो चे[illegible] इंजीनियर हैं [illegible] अन्य टेक्नीकल लो[illegible] रहते हैं । मैं [illegible] करूंगा कि वे [illegible] अनुरूप इस प्र[illegible] और अधिक सुदृढ़ करें ता[illegible] विद्युत् बोर्डों के जो मुख्य अधिकारी हैं [illegible] अधिक जानकारी हो सके [illegible] गवेषणा और वि[illegible] प्रगति हो रही है ।

**SHRI GHULAM RASOOL MATTO:** Sir, in reply to part (b) of the question, the Honourable Minister has stated that the information is being collected. May I know from the Minister: (a) By what time he will furnish the information to the House; and (b) On the basis of the information that the hon. Minister gathers, in that, if he finds that for similar equipment(s) easier terms and lower offers were made will he see to it that our terms are also reduced to those terms which are offered to other countries.

**MR. CHAIRMAN:** Part (b) is hypothetical question.

**SHRI GHULAM RASOOL MATTO:** What, Sir?

**MR. CHAIRMAN:** If he finds etc., is a hypothetical question. Now, the Minister can reply only to the first part of the question.

**SHRI NARAYAN DATT TIWARI:** What, Sir?

**MR. CHAIRMAN:** When do you expect the information to be collected and place it on the Table of the House?

**SHRI NARAYAN DATT TIWARI:** We have to go into the details because it involves private companies also; and the negotiations that we have made. Howeve , Sir, I wi-1 try to get this information as early as possible.

MR. CHAIRMAN: Next Question No. 82.

**Newsprint from bagasse pulp**

•82. SHRl B. SARYANARAYAN REDDY: Will the Minister of INDUS-TKi be pleased io state:

(a) whether atechnical breakthrough has been achieved in the manufacture of newsprint from bagasse pulp;

(b) if so, whether there ij a proposal to set up plants for the manufacture of newsprint from bagasse pulp; and

(c) if so, what are the detaite thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHR M. ARUNACHALAM): (a) Yes, Sir. The Tamil Nadu Newsprint and Papers Ltd. has achieved a technical break-through by producing newsprint using 85 per cent bagasse pulp and 15 per cent locally made hardwood pulp.

(b) and (c) The State Industrial and Investment Corporation of Maharashtra has been granted a Letter of Intent on 21st July, 1983, for setting up a new undertaking in District Parbhani in the State of Maharashtra for the manufacture of 50,000 tonnes per annum each of newsprint and writing and printing paper based on bagasse as the main raw material. The National Newsprint and Paper Mills, a Central Government Company, is preparing a detailed project report for setting up a bagasse-based newsprint plant in district Nainital in the State of Uttar Pradesh.

SHRI B. SATYANARAYAN REDDY; Mr. Chairman. Sir. the House knows that there is acute scarcity of newsprint in the country. We are importing newsprint worth croreg ol rupees. So there is a need to encourage the indigenous production ot newsprint on a large sca^e in our counlry. Therefore, may I know from the Minister that apart from these two places which he has mentioned in bis reply, whether the Government is taking any steps to locate newsprint industries in places like Andhra Pradesh, Tamil Nadu and other States where the raw material is available in p penty to reduce our dependency on imports?

SHRI M. ARUNACHALAM: Sir, as far ag the Government is concerned, we are ready to support any newsprint project based on bagasse. Sir, we have already issued Letter of Intent to 14 companies. We have issued industrial licence to two companies.

MR. CHAIRMAN: Second supplementary.

SHRI B. SATYANARAYAN REDDY: The Minister has said just now that his Department has issued Letter of Intent to 14 companies. Therefore, I would like to know what are the names of these companies and where these companies are located? Whether it covers the State of Andhra Pradesh, Tamil Nadu and other States where the raw material is available? I would also like to know, whether the Government is prepared to gi^e necessary incentives to this industry so that it can progress.

SHRI M. ARUNACHALAM: Sir, as far as the State of Andhra Pradesh is concerned, we have issued Letter of Intent to four companies. They are: (1) Shri Cleetus Vincent, M/s. Oceanic Products ETOorting Company Sakthikulangara, Teh. and District Saikakulam. A.P.; (2) M/s. Deccan Cements, Teh. Machilipatnam, Dist. Krishna, Andhra Pradesh. Then Shri B. Hanumantha Rao. The Pragati Newsprint Ltd. has been issued in Vijayawada, District Krishna. A.P. Then Shri Sarvarayalu, S.&P.V.V.